RAJYA SABHA

Monday, the 21st March, 1988/1 Chaitra, 1910 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

OBITUARY REFERENCE

MR. CHAIRMAN: Hon'ble Members, before we take up today's agenda, I refer with profound sorrow to the passing away of Shri D. P. Singh, a former Member who represented the State of Bihar in the Rajya Sabha from 1971 to 1978.

Shri D. P. Singh was born in April, 1922 at Murgawan in District Nalanda, Bihar. He had his education at Patna and Geneva. He was called to the Bar from the Middle Temple, London. A brilliant scholar, Shri Singh was an active Member of the India League in London in 1946-47 and was closely in touch with socialist movements in France and Italy.

A staunch champion of the cause of the downtrodden, Shri D. P. Singh worked vigorously for the removal of illiteracy and for the spread of education. He campaigned for the abolition of Zamindari system and always pleaded the cause of the rural masses. A forceful speaker, Shri D. P. Singh, was a close associate of late Shri V. K. Krishna Menon. Shri Singh was a senior advocate of the Supreme Court and his legal acumen was also availed of by the Government. He actively participated in the debates of this House specially on legal, economic and foreign affairs.

We deeply mourn the passing away of Shri D. P. Singh.

I request Members to rise in their places and observe silence as a mark of respect to the memory of the departed.

(Hon. Members then stood in silence for one minute).

MR. CHAIRMAN: Secretary-General will convey to the members of the bereaved family our deep sense of sorrow and profound sympathy.

ORAL ANSWERS TO QUESTIONS

Foreign collaboration for low priority consumer items

*361. SHRI KAPIL VERMA: Will the Minister of INDUSTRY be pleased to state:

(a) what are the reasons for allowing foreign collaborations for making potato chips, corn chips and aerated water and whether these items are proposed to be exported;

(b) whether it is in accord with Government's policy to allow foreign equity participation for low priority consumer goods; and

(c) whether the use of foreign trade marks is proposed to be permitted in regard thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) and (b) Government's policy is that foreign collaboration, financial or technical is not ordinarily necessary for consumer products. However, foreign collaboration for manufacture of consumer products is considered on merits if such collaboration is justified taking into consideration factors such as the nature of technology involved, availability of indigenous technology, potential for export earnings, and the like.

(c) The foreign collaboration approvals granted by Government contain a standard condition that

foreign brand names will not be allowed for use on the products for internal sales, although there is no objection to their use on their exports.

SHRI KAPIL VERMA: Sir, the statement gives rise to certain doubts because no foreign technology is required for potato chips, corn chips and aerated water. Regarding this, we have slashing industries in this country. Before proceeding further, I would like to ask the Government, what is the present stage of decision making on the controversial proposal for the establishment of fruit and vegetable processing plant in Punjab in collaboration with State Agro Industries Corporation, Voltas and the American multi-national company Pepsi Cola? May I know from the Minister whether the Projects Approval Board has approved it? If so, what are the reasons?

SHRI M. ARUNACHALAM: Sir, we have answered this question so many times in this House that the project has not yet been approved by the Government of India.

SHRI KAPIL VERMA: Has the Projects Approval Board approved it?

SHRI M. ARUNACHALAM: When the Government has not decided, that means, it is still pending with the Government.

SHRI KAPIL VERMA: May I know from the Minister whether the Government is considering the fact that the report of food processing technology should not be tied-up with the import of soft drink concentrate particularly when Pepsi Cola involves import of 63 per cent including duty of the selling price, thus the value added being nothing and also that concentrate is not being indigenised and is going to be imported permanently and it was on this basis that Coca Cola was thrown out of this country? Why this fact is being ignored that food processing technology is available freely in the world and several Indian companies have obtained it. Technology is locally available and our factories are exporting products worth about Rs. 300 crores and secondly, the plant that Pepsi Cola has proposed costs about Rs. 5.5 crores while other companies have set up plants costing about half a crore. What is going to happen to the excess of Rs. 5 crores? What is the Government's information about it and has the Government considered all these points?

SHRI M. ARUNACHALAM: Sir, processed foods are being identified for exports. While considering the proposals of Pepsi Cola including the food processing and other things, the points raised by the hon. Member will be considered.

MR. CHAIRMAN: Now before I move to the next supplementary, I would like to congratulate Shri Kapil Verma on his birth day.

SHRI KAPIL VERMA: Thank you Sir.

SHRI A. G. KULKARNI: Sir, from the answer it is reflected that foreign collaboration for making potato chips, corn chips and aerated water etc. is there particularly for the consumer items. Government has replied as regards their controversial proposal and I am not interested in what further has happened. But my basic interest is, has the Government abdicated its power to import and allow technology for consumer items particularly when about 9000 collaboration are permitted? There are certain list in which you will also be interested, Sir. Here is a list which says that the famous Barbie doll company has been permitted in this country to manufacture brand name of an American company. Secondly, here is the American Tourister bag. All our leather cobblers are just mad that the American Tourister should sell their bag in this country. Thirdly, there is English leather toiletry. What for are leather toiletries brought here?

Then further is Wrangler jeans. What for Wrangler jeans are required? Mr. Minister, you have to be very careful. I can multiply various foreign collaborators. A Playboy fashion sport, not that Playby magazine...

MR. CHAIRMAN: You want a magazine.

SHRI A. G. KULKARNI: Sir, for your information, I say because you are a Pandit and you will ask what is Playboy. A Playboy fashion sport. that is the cloth. These are 7-8 instances I have given. Then Sir, about this Barbie doll. Yesterday, there was an article in the Sunday Observer". I was just casually reading. I cannot pronounce these American words. It is said, "Gee, I want a Barbie." means some American slang must be there. What does he say? The entire 'He Man' and Barbie doll set cost between Rs. 900 and Rs. 1200 per piece. For whom you are allowing these ? For whom these jeans are required? For whom, all these toiletries are required? Did you not bother about the Indian artisans? Don't you bother about the small scale industries? And your Ministry is all along wrangling. Sir. I asked this very question to Mr. Narayanan who was the Minister of Science and Technology. He said that the permission is granted by Ministry of Industry. What does the Minister of Industries want to say? This is the list of 10 to 15 consumer items with brand names being marketed in India. The reply says brand names are generally not permitted. Have you abdicated your rights to discipline the industrialists? Are foreign brand names required for the poor people who form 80 per cent of the population of this country? What are you doing? I want to know from the hon. Minister whether he is prepared to cancel all these collaborations and go ahead with the Indianisasation of such types of brand names and promote the skills of craftsmen. Sir, I have got great respect for you. But I want to know from the Minister because he is responsible. It is for you to ask him. I have got the list here. This is the proof. Why is this happening? Whom should we defend? Should we defend multinationals?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): Mr. Chairman, Sir, we are not in favour of multinationals. We encourage indigenous people only. In these things, some are reserved for small-scale industries. There is no need for any licence. I do not know the brand names he has mentioned.

MR. CHAIRMAN: He will find out, investigate and reply.

SHRI A. G. KULKARNI: Would he assure us of his reply? I will give you the list. If he investigates and gives us the reply laying it on the table of the House, I am satisfied.

MR. CHAIRMAN: That is another question. He will reply.

SHRI PARVATHANENI UPENDRA: The question is specific. He should say yes or no.

MR. CHAIRMAN: He has put more questions like Barbie doll and all that.

SHRI PARVATHANENI UPENDRA: The answer does not say anything about potato chips. The question is specific.

SHRI J. VENGAL RAO: His apprehension is not about potato chips. He has mentioned new names. I will certainly go into it.

SHRI A. G. KULKARNI: He will satisfy me and you. (*Interruptions*)

SHRI J. VENGAL RAO: Sir, I will satisfy you and the hon. Member.

MR. CHAIRMAN: I do not put on jeans.

SHRI PARVATHANENI UPENDRA: The answer to Question No. 361 does not give the correcting things.

DR. (SHRIMATI) SAROJINI MAHISHI: Is it in technical collaboration or not?

SHRI M. S. GURUPADASWAMY: The answer is rather very amusing. This thing is being considered for the last many many months. And the file is there pending before the Government. It is true that in the past also there were questions raised in this House about this matter. But the same answer is given again. What about potato chips, Pepsi Cola and all that? Why should the Government not straightway reject? Why is it kept pending for so long? I would like to know whether the Pepsi Cola project is at the stage of finalisation and if it is finalised, then there will be a permanent commitment to import Pepsi Cola concentrate from America. You cannot get away from this. What will happen to our policy of import-substitution, self-reliance and import of appropriate, relevant technology? Do you require technology for producing chips? I do not understand. It is ridiculous. I would like a categorical answer. I want the Government to be serious in this matter.

SHRI J. VENGAL RAO: Sir, I may categorically reply. There is no change in the policy of the Government till today by allowing multinationals. About tomorrow, I cannot say.

SHRI M. S. GURUPADASWAMY: Today it is all right. Tomorrow he can revise it.

SHRI PARVATHANENI UPENDRA: That means this Government does not have a fixed policy. It changes day by day.

SHRI M. S. GURUPADASWAMY: The Government does not have a mind. It is mindless. *(Interruptions)*

SHRI J. VENGAL RAO: Sir, I have given a categorical reply. There is no change in the policy regarding the multinationals and it is so today. What happens tomorrow, nobody can say... *(Interruptions)* ..

SHRI PARVATHANENI UPENDRA: Your policy is for 24 hours only ... *(Interruptions)* ...

SHRI M. S. GURUPADASWAMY: Sir, is this the reply given by a responsible Ministers? ... *(Interruptions)* . . .

SHRI PARVATHANENI UPENDRA: Sir, let him say that the policy is only for 24 hours. Then why the Five Year Plans and other things? *(Interruptions)* . . .

SHRI M. S. GURUPADASWAMY: The Goernment has no mind at all... *(Interruptions)* . . .

SHRI PARVATHAENI UPENDRA: If they are not sure of continuing in power, that is a different matter . . . *(Interruptions)* . . .

SHRI M. S. GURUPADASWAMY: Sir, he is under Pepsi-Cola intoxication . . . *(Interruptions)* . . .

SHRI J. VENGAL RAO: Sir, for the last 1½ months I am replying to this question in the same way. There is no change in the policy... *(Interruptions)* ...

SHRI PARVATHANENI UPENDRA: For the last 1½months he is telling the same thing Sir. This is a very good answer... *(Interruptions)* ...

MR. CHAIRMAN: Yes, Mr. Virendra Verma.

श्री वीरेन्द्र वर्मा : माननीय सभापति, महोदय, क्या माननीय मंत्री जी बतलाएंगे कि इस कोलोबोरेशन में क्या फायनेंसियल इम्प्लीकेशन हैं ? विदेशी कोलोबोरेशन और भारतीय कोलोबोरेशन में आर्थिक संतुलन क्या है और टैक्नोलोजी में क्या है ? क्या ऐसी भी कोई शर्त है कि कितने वर्षों के बाद फिर भारत का हो जाएगा या हमेशा उसी हिसाब से रहेगा ?

SHRI M. ARUNACHALAM: Sir, the Government is committed to the policy of foreign collaboration that technology has to be indigenised over a period and there should be no net outflow of foreign exchange on this account.

SHRI VIRENDRA VERMA: Outflow of what?

SHRI M. ARUNACHALAM: There should be no net foreign exchange outflow on this account.

MR. CHAIRMAN: Yes, Mr. V. *Narayanasamy.*

SHRI V. NARAYANASAMY: Sir, when I raised the question relating to Pepsi-Cola, the honourable Minister replied last week that eight Ministers were sitting on the matter for the purpose of deciding whether it should be allowed in our country or not. The Minister had said that there is no movement of the file and the Ministers have not decided. But the Minister has given us in part (c) of the question that when there is import substitution and when the indigenous technology is available, we will not go in for foreign collaboration. Therefore, Sir, I cannot understand from the honourable Minister's reply why the file relating to Pepsi-Cola is pending with the Government for more than three years. Let the Minister answer this question. He has given the guidelines and I will read out the guidelines which have been given in part (c) wherein he says that foreign brand names will not be allowed for use on the products for internal sales although there is no objection to their use for exports I would like to know whether the Government is going to allow it for exports only and not for internal sales.

SHRI J. VENGAL RAO: Sir, the very fact that for the last three years this is pending with the Government shows that the Government is very reluctant to agree to this proposal. It is under the consideration of the Government. If the Government wants to agree to this proposal... *(Interruptions)*...

SHRI PARVATHANENI UPENDRA: Why don't you reject it and close the file?

SHRI V. NARAYANASAMY: Sir, I want to know whether the case has been decided... *(Interruptions)*...

SHRI PARVATHANENI UPENDRA: Why are they keeping it alive? ...*(Interruptions)*...

SHRI J. VENGAL RAO: You know very well. It is under the consideration of the Government... *(Interruptions)*...

SHRI PARVATHANENI UPENDRA: For reluctant consideration?... *(Interruptions)*...

SHRI V. NARAYANASAMY: Sir, I seek your protection... *(Interruptions)*...Sir, I wanted to know whether the eight Ministers have agreed that collaboration can be allowed... *(Interruptions)*...

SHRI J. VENGAL RAO: Sir, I am not in favour of Pepsi-Cola or against Pepsi-Cola. There are two big lobbies in the House; one is against it and another is for it. I am not in favour of that. I do not take Pepsi-Cola... *(Interruptions)*...I have never tasted Pepsi-Cola... *(Interruptions)*...I do not know anything about it ...*(Interruptions)*...

MR. CHAIRMAN: Yes, Mr. Nirmal Chatterjee.

SHRI NIRMAL CHATTERJEE: Sir it is very obvious that the policy has not changed and they are going on considering this policy! Sir, my question is: (a) what are the issues which are making the Government reluctant to grant permission to this collaboration: and (b) when your policy with regard to the multinationals is to be averse to them, how many too multinationals are already in operation in our country?

SHRI J. VENGAL RAO: We need a separate question for this.

SHRI NIRMAL CHATTERJEE: He wants a separate question on what? Let him answer the first part. They say they are considering. They say they are reluctant. What are the issues on which they are reluctant?

SHRI J. VENGAL RAO: Whether to allow this or not—that is the question.

SHRI CHIMANBHAI MEHTA: The hon. Minister has thrown the House into utter confusion. He says he is considering. I would like to know whether the rejection is being considered or the acceptance is being considered. For the last three years, they have been saying that they are considering. Therefore, this is a very vital issue.

MR. CHAIRMAN: What is your question? Already we have spent 21 minutes on it.

SHRI CHIMANBHAI MEHTA: The question is very specific. Mr. Kapil Verma has asked what are the reasons for allowing foreign collaboration for making potato chips, corn chips and aerated water. Now, this is a specific question. Are there any reasons for allowing potato chips and corn chips to be produced with foreign collaboration? The answer given is very vague. Therefore, we are asking what are the reasons for considering Pepsi-Cola for collaboration. You should give the reasons as to why you are considering and whether it should be considered at all.

SHRI J. VENGAL RAO: In the proposal of Pepsi-Cola, potato chips and some other items are also there. We have not yet agreed to any proposal. I am assuring the hon. Members that we have not yet agreed to any proposal.

MR. CHAIRMAN: He has taken the mood of the House.

Indigenous Model for Maruti Cars and other vehicles

*362. DR. R. K. PODDAR:†
SHRI MOSTAFA BIN QUASEM:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Maruti Udyog Limited is in a position to develop its own model of cars and other vehicles for future production; and

(b) if so, what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) At present, Maruti Udyog Limited is not in a position to develop its own model of cars and other vehicles.

(b) Does not arise.

DR. R. K. PODDAR: I don't know whether I should thank or condemn the hon. Minister for giving this frank reply putting aside the question of self-reliance. Long ago, when Maruti was first conceived, it was stated that it would be a people's car and the cost would be about 15,000 rupees. It will be made completely from indigenous components. That project has completely flopped. Then there was collaboration with Suzuki. Initially, the cost was Rs. 45000. Now it is Rs. 80,000. It is all right for a country like ours where the average income of a person is Rs. 2300 per year. They call it a people's car. My question is whether they have any idea or they have any scope for Research and Development in the Maruti Udog Limited. I would like to know whether there is any budget for it and if so, what is the amount of money allotted for R&D in Maruti Udyog Limited and how many scientists and technologists are engaged in it.

†The question was actually asked on the floor of the House by Dr. R. K. Poddar.